

## EXTENSION OF WHEAT AGREEMENT ACT

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JULY 22, 1965.—Ordered to be printed

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Mr. HOLLAND, from the Committee on Agriculture and Forestry, submitted the following

## REPORT

[To accompany S. 2294]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 2294) to amend section 2 of the International Wheat Agreement Act of 1949, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

This bill would extend the International Wheat Agreement Act of 1949 to cover the 1-year extension of the International Wheat Agreement heretofore approved by the Senate.

The letter of the Department of Agriculture requesting enactment of this bill is attached.

DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., July 7, 1965.*

HON. HUBERT H. HUMPHREY,  
*President of the Senate,*  
*Washington, D.C.*

DEAR MR. PRESIDENT: There is transmitted herewith for consideration by the Congress draft legislation which would amend the International Wheat Agreement Act of 1949, as amended, to extend the authority contained in the act to implement the protocol for the extension of the International Wheat Agreement, 1962. Senate gave its advice and consent to the ratification of the protocol on June 15, 1965.

Enactment by the Congress of this proposed legislation is recommended. Under its provisions certain action is authorized which would continue to secure the benefits and discharge the obligations of the United States under the agreement, upon the expected entry into force of the protocol with respect to the operational aspects of the agreement, on August 1, 1965, and during the ensuing 12 months.

The price range and the obligations of exporting or importing member countries as contained in the International Wheat Agreement, 1962, are not altered by the protocol—only the expiration date is

extended to July 31, 1966. The agreement covers trade in wheat and wheat-flour between member exporting and importing countries, but only "commercial transactions." As defined in the agreement, this excludes such exports as those pursuant to Public Law 480, bilateral barter, and credit sales if the terms do not conform with terms prevailing commercially.

The International Wheat Agreement Act of 1949, as amended, authorizes the President, acting through the Commodity Credit Corporation, to make available or cause to be made available, such quantities of wheat and wheat-flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States and to take certain other action necessary in the implementation of the agreement. Pursuant to this authority the Commodity Credit Corporation has made wheat available by making export payments on wheat and wheat-flour to commercial exporters, and by the sale to commercial exporters of wheat acquired by the Commodity Credit Corporation under its price support program; all in connection with commercial exports to importing countries which are members of the wheat agreement. All transactions are reported to the International Wheat Council for recording.

The International Wheat Agreement Act of 1949, as amended, also authorizes to be appropriated such sums as may be necessary to make payments to the Commodity Credit Corporation of its estimated or actual net costs of carrying out its functions under the act in connection with the International Wheat Agreement, 1962. The draft legislation would have the effect of making this existing provision for the payment of net costs similarly applicable to the period of extension inasmuch as Article I of the Protocol continues the International Wheat Agreement, 1962, in force until July 31, 1966.

The President's Budget for the fiscal year 1966 assumes that the Protocol extension will enter into force, and a proposed appropriation of \$27,544,000 is included for this purpose in the budget. The appropriation requested is \$54,294,000 less than the 1965 appropriations, primarily because the latter includes a supplemental appropriation of \$50 million for prior year costs.

The Bureau of the Budget advises that there is no objection to the presentation of this proposed legislation from the standpoint of the administration's program.

A similar letter is being sent to the Speaker of the House of Representatives.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

## INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

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SEC. 2. The President is hereby authorized, acting through the Commodity Credit Corporation, to make available or cause to be made available, notwithstanding the provisions of any other law, such quantities of wheat and wheat-flour and at such prices as are necessary to exercise the rights, obtain the benefits, and fulfill the obligations of the United States under the International Wheat Agreement of 1949 signed by Australia, Canada, France, the United States, Uruguay, and certain wheat importing countries, along with the agreements signed by the United States and certain other countries revising and renewing such agreement of 1949 for periods through July 31, **[1965]** 1966 (hereinafter collectively called the "International Wheat Agreement"). Nothing herein shall be construed to preclude the Secretary of Agriculture, in carrying out programs to encourage the exportation of agricultural commodities and products thereof pursuant to section 32 of Public Law 320, Seventy-fourth Congress, as amended, from utilizing funds available for such programs in such manner as, either separately or jointly with the Commodity Credit Corporation, to exercise the rights, obtain the benefits, and fulfill all or any part of the obligations of the United States under the International Wheat Agreement or to preclude the Commodity Credit Corporation in otherwise carrying out wheat and wheat-flour export programs as authorized by law. Nothing contained herein shall limit the duty of the Commodity Credit Corporation to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in making available or causing to be made available wheat and wheat-flour hereunder. The pricing provisions of section 112(e) of the Economic Cooperation Act of 1948 and section 4 of the Act of July 16, 1943 (57 Stat. 566), shall not be applicable to domestic wheat and wheat-flour supplied to countries which are parties to the International Wheat Agreement and credited to their guaranteed purchases thereunder on and after August 1, 1949, and up to and including June 30, 1950. Where prices in excess of the International Wheat Agreement prices have been paid for such wheat and wheat-flour financed by the Economic Cooperation Administration on or after August 1, 1949, and up to and including June 30, 1950, the Secretary of Agriculture or Commodity Credit Corporation is authorized to reimburse the Economic Cooperation Administration for such excess amounts. Funds realized from such reimbursement shall revert to the respective appropriation or appropriations from which funds were expended for the procurement of such wheat and wheat-flour. There are hereby authorized to be appropriated such sums as

may be necessary to make payments to the Commodity Credit Corporation of its estimated or actual net costs of carrying out its functions hereunder. Such net costs in connection with the International Wheat Agreement, 1959, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by importing member countries. Such net costs in connection with the International Wheat Agreement, 1962, shall include those with respect to all transactions which qualify as commercial purchases (as defined in such agreement) from the United States by member and provisional member importing countries, including transactions entered into prior to the deposit of instruments of acceptance or accession by any of the countries involved, if the loading period is not earlier than the date the agreement enters into force. The Commodity Credit Corporation is hereby authorized in carrying out its functions hereunder to utilize, in advance of such appropriations or payments, any assets available to it.